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C O N F I D E N T I A L SECTION 01 OF 02 HELSINKI 000355

SIPDIS

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TAGS: [FI](#) [PGOV](#) [PREL](#) [RS](#)

SUBJECT: FINLAND: HALONEN ASSUMES TRADITIONAL POSTURE
TOWARDS RUSSIA

REF: A. 09 HELSINKI 151
[1](#)B. 09 HELSINKI 211

Classified By: Ambassador Bruce Oreck for reasons 1.4(b) and (d)

[11.](#) (C) SUMMARY. On August 11 Finnish President Halonen met, dined and relaxed with Russian President Medvedev and Prime Minister Putin for five hours in the Black Sea city of Sochi.

This was the third presidential meeting this year, and Finnish officials describe each as a warm encounter.

Typically these meetings focus on bilateral trade matters, but this time topics like the Nord Stream pipeline project, US-Russia relations, human rights, climate change and Iran dominated. In pursuing such a positive working relationship with the Russian leadership, Halonen is following a long tradition of Finnish Presidents assuming the role of "guarantor" of good bilateral relations. That role sometimes places Halonen at odds with the other two charged with Finland's foreign relations, the Prime Minister and the Foreign Minister. Halonen could be a useful "western consultant" for the Russian leadership, if she used her meetings to support transatlantic and European security institutions. However, Halonen does not raise those topics, and her influence with the Russian leadership is uncertain.

END SUMMARY.

[12.](#) (C) On August 11 President Halonen met Russian President Medvedev and Prime Minister Putin in the Black Sea city of Sochi. In an August 20 meeting with Pol/Econ Chief, Maimo Henriksson - Director of the Russia Unit at the Ministry of Foreign Affairs - described two very positive meetings spanning roughly five hours (four with Medvedev (including lunch), and approximately one with Putin). This was the third time this year Halonen has met her counterpart, the other two being in April and June (REFS). As with all of these meetings, bilateral trade matters were on the agenda; however, on this occasion multilateral issues dominated.

BILATERAL ISSUES - LIMITED TALK, NO PROGRESS

[13.](#) (C) Halonen raised two issues: Finnish participation - particularly of a Finnish construction consortium - in bids related to the 2014 Sochi Winter Olympics, and the Russian tariff on roundwood exports. Henriksson acknowledged that the Finns have few expectations of success when raising Olympic bids with the Russian leadership; Halonen continues to raise the subject mostly for domestic consumption, to show that Halonen speaks up for Finnish interests. Regarding the wood tariff, Halonen received sympathy and justifications but no confirmation that the tariff would be eliminated or that Russia would extend the current one-year moratorium, set to end in December. Medvedev offered understanding of the difficulties facing the Finnish forestry industry, and went

on to blame China, stating that Russia's real concern is for its wood industry is in the east, not the west. Putin said Russia did not wish to harm Finland's economy, but Russia must promote its own industry. He pointed to Russia's automobile industry, asserting that raising import duties resulted in a boost for domestic car production. (NOTE: Henriksson said that the Russian trade minister had separately indicated that Russia might continue its suspension of the tariff, which the Finns assume means rolling it over for another year. The minister insisted that Russia had seen investments in its wood industry, but provided no specific examples. Many GoF officials are dubious about Russian claims of such investments. END NOTE.)

U.S.-RUSSIAN RELATIONS AND OTHER ISSUES

¶4. (C) Halonen and Medvedev did not speak extensively about U.S.-Russian relations, only touching on a few issues. Henriksson stated that Medvedev viewed initial discussions of a post-START treaty positively. Halonen's overall impression was that Medvedev "valued the current U.S. policy line very highly" but was nevertheless "cautious about the possibilities of success." Henriksson said NATO - and the possibility of Finland's membership - did not arise in either meeting, or in any other Halonen-Medvedev-Putin meeting this year. Other non-bilateral topics included:

- CLIMATE CHANGE: Halonen and Putin briefly discussed the Copenhagen Summit. Putin said that Russia would not be "saddled with bigger demands than the U.S. or China."

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- NORD STREAM: Halonen and Medvedev spoke only briefly about the proposed natural gas pipeline: Medvedev spoke about the importance of Russian energy to EU countries, while Halonen recounted the Finnish environmental review process now drawing to a close and to the building permit process that would follow a positive review.

- WORLD TRADE ORGANIZATION: Halonen asked about Russia's intentions to join the WTO on its own. Medvedev said Russia has not given up its intention to join alone, i.e., it does not intend to become a "prisoner of a slower process." Medvedev did not address how Russia might accelerate the current process.

- HUMAN RIGHTS: Regarding Chechnya, Halonen told Medvedev that the current situation cannot continue and asked what can be done to improve it. Henriksson expressed disappointment with Medvedev's vague response. He acknowledged problems, in particular an entire generation growing up accustomed to violence, and spoke broadly of improvements, of ongoing reconstruction and aid money being funneled to Chechnya. He complained of terrorists still operating in Chechnya and receiving support from Turkey and Arab countries.

- IRAN: Halonen's view was that the Russians think it a "mistake to leave Iran alone" regarding its nuclear ambitions, but that Iran should be allowed a civil nuclear power capability - a "peaceful track" should be allowed, as a ban would only encourage surreptitious pursuit.

HALONEN: GUARANTOR OF GOOD FINNISH-RUSSIAN RELATIONS?

¶5. (C) Henriksson noted the positive tone of all of Halonen's meetings with the Russian leadership. She believes that, like other Finnish presidents, Halonen sees herself as the "guarantor" of good Finnish-Russian relations. Following Halonen's trip the Finnish media picked up on this point, placing Halonen in a long tradition of Presidents building working relationships with the Russian leadership. One editorial noted that Medvedev and Putin may have found a "western consultant or even a therapist" in Halonen. Another saw a problem in Halonen's working relationship: Historically (and currently), Russia wants a more independent Finland

standing between east and west, but as an EU Member State Finland is firmly planted in the west.

COMMENT

¶6. (C) Halonen appears to have good relations with the Russian leadership, though her ability to influence that leadership is uncertain. With Finland firmly planted in the west, its President might be well positioned to be a "western consultant," explaining policies while maintaining a strong voice in supporting existing transatlantic and other European security organizations. However, Halonen's adopted role seems focused on not roiling the bilateral waters while gently raising broad international themes. That traditional role appears to play well in Finland, given Halonen's strong poll numbers. While Halonen does not utilize her role to best transatlantic advantage, her domestic popularity works in our interest when she speaks favorably on other issues, as she did this summer in publicly expressing support for Finland's contributions to Afghanistan.

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